



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

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July 28, 2005

Dear Licensee:

The 2005 Washington Legislature amended chapter 31.45 RCW, the Act Relating to Check Cashers and Sellers. Engrossed Substitute Senate Bill 5415 was signed by the Governor on May 13, 2005 and became effective July 24, 2005. The changes specifically address making loans to military borrowers. This letter is intended to provide you with general information about this new amendment.

A military borrower is defined as, "an active duty member of the armed forces of the United States or any member of the national guard or the reserves of the armed forces of the United States who has been called to active duty." Pursuant to the amendment:

"(1) A licensee shall:

- (a) When collecting any delinquent small loan, not garnish any wages or salary paid for service in the armed forces;
- (b) Defer for the duration of the posting all collection activity against a military borrower who has been deployed to a combat or combat support posting for the duration of the posting;
- (c) Not contact the military chain of command of a military borrower in an effort to collect a delinquent small loan;
- (d) Honor the terms of any repayment agreement between the licensee and any military borrower, including any repayment agreement negotiated through military counselors or third party credit counselors; and
- (e) Not make a loan from a specific location to a person that the licensee knows is a military borrower when the military borrower's commander has notified the licensee in writing that the specific location is designated off-limits to military personnel under their command."

I hope this information is helpful. Department examiners will begin examining licensees for compliance with the amendment immediately, for all loans made as of July 24, 2005. If you have any questions please contact me directly at 360-902-8725.

Sincerely,

W. Kwadwo Boateng  
Program Manager